

Message Text

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FM SECSTATE WASHDC

TO AMEMBASSY SAIGON

INFO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS

USSAGE NKP

CINCPAC

COGARD

AMCONSUL BIEN HOA

AMCONSUL CAN THO

AMCONSUL DANANG

AMCONSUL HONG KONG

AMCONSUL NHA TRANG

USDEL JEC PARIS

XMT AMEMBASSY SUVA

AMEMBASSY RANGOON

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TAGS: PFOR, XC, US

SUBJECT: JULY 9 EA PRESS SUMMARY

INDOCHINA

1. IN PP, INFORMED SOURCES SAY GKR WILL ANNOUNCE NEW
PEACE INITIATIVE IN EFFORT TO START "UNCONDITIONAL
TALKS WITH ALL POLITICAL SEGMENTS" ON ENDING WAR.
DIPLOMATS AND OBSERVERS SAY PLAN EVIDENTLY REPLACES
GKR'S SIX-POINT PROPOSAL OF LAST JULY (AP, SUN).
IN PRESS CONFERENCE ATTENDED BY GKR OFFICIALS AND
DIPLOMATIC CORPS, LONG BORET ANNOUNCES APPEAL TO
"KHMERS OF THE OTHER SIDE" TO HOLD PEACE NEGOTIATIONS
WITHOUT PRIOR CONDITIONS. LON NOL REPEATS MESSAGE
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IN RADIO BROADCAST, ADDS THAT GKR MIL SITUATION

MUCH IMPROVED SINCE LAST YEAR'S PEACE PROPOSALS THAT WERE IGNORED BY COMMUNISTS. FOREIGN OBSERVERS THINK THAT WHILE GKR CONTROLS PRINCIPAL TOWNS AND ALMOST 3/4 OF POPULATION, INSURGENTS CONTROL 3/4 OF COUNTRYSIDE. IN PAST YEAR REBELS LAUNCHED MAJOR ATTACKS ON NUMBER OF PRINCIPAL TOWNS BUT CAPTURED ONLY OUDONG (REUTER PP).

2. FIELD REPORTERS SAY FANK RECON PATROL REACHES OUTSKIRTS OF OUDONG, REPORTS NO SIGNS OF REBEL ACTIVITY IN FORMER ROYALCAPITAL BUT GKR TASK FORCE HALF-MILE AWAY MAKES NO ATTEMPT TO ASSAULT CITY (CHITRIB).
3. POLICE SURROUND NATL ASSEMBLY BUILDING TO STOP LAOTIANS FROM SIGNING PETITION CALLING FOR WITHDRAWAL OF NVN FORCES IN ACCORDANCE WITH C-F. INFORMED SOURCES SAY POLICE WERE FROM JOINT POLICE FORCE, INCORPORATING BOTH FACTIONS, AND REPORTEDLY RECEIVED ORDERS FROM SOUVANNA AFTER TWO ASSEMBLYMEN INVITED PEOPLE TO GO TO SIGN PETITION. ASSEMBLY PRESENTLY TAKES NO PART IN ACTUAL GOVERNMENT OF COUNTRY. DEFMIN SISOUK SAID AFTER JUNE 4 WITHDRAWAL DEADLINE FOR FOREIGN FORCES THAT 14,500 NVN TROOPS REMAIN IN COUNTRY AS WELL AS 24-29,000 ALONG HO TRAIL. PL CHARGES US AND THAI TROOPS ARE STILL IN LAOS (REUTER VIENTIANE).

CHINA

4. US NEWS AND WR "WASHINGTON WHISPERS " (JULY 15) SAYS: "WHITE HOUSE INSIDERS EXPECT A TRIP TO PEKING BY PRESIDENT NIXON AS A LOGICAL SEQUEL TO THE MOSCOW SUMMIT. BELIEF IS THAT MR. NIXON MAY ANNOUNCE HIS SECOND JOURNEY TO CHINA LATE THIS YEAR."

5. AT TELEVISED NEWS CONFERENCE MONDAY, SEN. JACKSON HANDED OUT PRINTED STATEMENT PROPOSING THAT ADMIN. "SHOULD TRY TO REVERSE THE LOCATION OF OUR EMBASSY AND LIAISON OFFICE AS BETWEEN TAIPEI AND PEKING." SENATOR ALSO URGED THAT UNCLASSIFIED

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US PRESS TOWARD "NEW DEPARTURES IN SINO-AMERICAN RELATIONS, INCLUDING THE ESTABLISHMENT OF RESIDENT CORRESPONDENTS IN EACH COUNTRY AND MORE SUBSTANTIAL PROGRAMS OF CULTURAL AND EDUCATIONAL EXCHANGES" (UPI NYDN, PHINQ). REPORTING THAT HE HAD MORE THAN 15 HOURS OF DETAILED CONVERSATIONS WITH CHOU EN-LAI, TENG HSIAO-PING, CHIAO KUAN-HUA AND OTHER OFFICIALS, JACKSON SAID CHOU IS CONVALESCING

AND THAT HE FOUND PREMIER ALERT AND KEEN-MINDED.

NYT'S BINDER NOTES THAT JACKSON SAID PRC CAN BE TRUSTED MORE THAN SOVIET AS AN INTERNATIONAL PARTNER, AND THAT "THERE ARE MANY AREAS IN WHICH AMERICAN INTERESTS PARALLEL THOSE OF THE CHINESE." ACCORDING BINDER, SENATOR ALSO MAINTAINED IT SHOULD BE EASY TO GRANT GOOD TRADING TERMS TO CHINA BECAUSE PROBLEM OF CHINESE DESIRING TO LEAVE TO JOIN FAMILIES IS NOT LARGE. SAID HE KNEW OF ONLY 80 CHINESE IN THIS PREDICAMENT, ALTHOUGH "THERE WILL BE A LOT MORE." CSM DISPATCH CITES JACKSON SAYING HE FOUND IN CHINA THAT SINO-

SOVIET "FISSURE APPEARS TO BE WIDENING," AND THAT HIS HOSTS WERE "EXTREMELY FORTHRIGHT AND DIRECT" AND PULLED NO PUNCHES.

SUN'S MILLS OBSERVES JACKSON REPORTED THAT HE HAD NOT RAISED WITH CHINESE IDEA OF ESTABLISHING FULL DIPLOMATIC RELATIONS WITH US, BUT BELIEVED THAT ONCE THIS IS DONE AND US-GROC RELATIONS ARE DOWNGRADED, THEN IMPROVED SINO-US RELATIONS WILL FOLLOW. MILLS REPORTS THAT SOME AMERICAN CHINA-WATCHERS, INFORMED OF JACKSON'S STATEMENT, WERE SKEPTICAL THAT PRC WOULD EVER ACCEPT HIS PROPOSAL; THEY POINTED OUT THAT PEKING HAS DEMANDED, AS PRECONDITION TO ESTABLISHING DIPLOMATIC TIES WITH OTHER WESTERN COUNTRIES, THAT THEY BREAK COMPLETELY WITH GROC. MILLS POINTS OUT THAT ANOTHER BLOCK TO FULL RELATIONS WITH PEKING IS US DEFENSE TREATY WITH GROC -- AND JACKSON SAID MONDAY THAT HE IS "NOT SUGGESTING THAT WE BACK UNCLASSIFIED

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OUT ON OUR COMMITMENT."

WP'S BERGER CONCLUDES THAT JACKSON'S NEWS CONFERENCE HAD EARMARKS OF PRESIDENTIAL CAMPAIGN PRODUCTION. SHE ALSO OBSERVES THAT US RELATIONSHIP WITH PEKING HAS BEEN LARGELY IN HAK'S HANDS, WITH USLO "PERFORMING MAINLY CONSULAR FUNCTIONS."

REUTER (PEKING) REPORTS THAT PRC FM SPOKESMEN DECLINED COMMENT TUESDAY ON FOREIGN PRESS REPORTS THAT CHOU EN-LAI IS SUFFERING FROM HEART AILMENT; AN FM OFFICIAL DEALING WITH PRESS QUERIES REPLIED, "I DON'T KNOW. THAT IS ALL I CAN SAY." IN PEKING, GLOBE AND MAIL'S BURNS REPORTS CHINESE PEOPLE ENTERTAINING CONCERNS ABOUT CHOU'S HEALTH; "TO

HUNDREDS OF MILLIONS OF PEOPLE WHO RELY ON THE PARTY PRESS FOR ALL THEIR INFORMATION ON THE LEADERS, (NCNA'S "TUCKED-AWAY" DISCLOSURE THAT CHOU MET JACKSON "IN A HOSPITAL") WOULD CAUSE DISTRESS SECOND ONLY TO THE ACTUAL DEMISE OF CHOU OR MAO. SAYS FOR THIS REASON ALONE, DECISION TO GO PUBLIC WITH PREMIER'S HOSPITALIZATION WAS EXTRAORDINARY. ONLY SENSIBLE CONCLUSION IS THAT CHOU WOULD HAVE LEFT HOSPITAL TO MEET SENATOR IF HE HAD FELT UP TO IT; THAT HE DID NOT, IS, ON FACE OF IT, SUREST INDICATION THAT HE IS PERHAPS RATHER MORE ILL THAN HITHERTO THOUGHT (CSM).

7. WP (PEKING) REPORTS THAT FOR FIRST TIME IN MORE THAN MONTH, TWO DAYS HAVE PASSED WITHOUT APPEARANCE OF

NEW POSTERS ON WALLS IN CAPITAL. REUTER'S SHARP, IN PEKING, SAYS POSTER CAMPAIGN "NOW SEEMS TO BE FIZZLING OUT." ALL BUT HANDFUL OF HUNDREDS OF POSTERS HAVE BEEN TORN DOWN OR DEFACED, AND EVEN THOSE UNTOUCHED BECOMING INCREASINGLY TATTERED AND LESS LEGIBLE AS WEATHER TAKES ITS TOLL. ALTHOUGH SOME POSTER WRITERS "OBVIOUSLY WENT OVERBOARD," GLANCE AT INTENSE FACES OF CROWDS WHO GATHERED DAY AND NIGHT TO READ POSTERS WAS ENOUGH TO CONVINCE ANYONE THAT "THIS REMARKABLE INTERLUDE IN THE UNCLASSIFIED

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NORMALLY TIGHTLY-DISCIPLINED CAPITAL" WAS "ALL TAKEN SERIOUSLY." MANY ANALYSTS FEEL THAT WHILE CENTRAL AUTHORITIES REMAIN ANXIOUS FOR THOROUGH CAMPAIGN TO RID COUNTRY OF REACTIONARY FORCES, THEY WANT IT RUN WITHIN PRECISE AND CONTROLLABLE LIMITS.

8. JOC'S LEWIN, IN RACINE WIS., REPORTS RECENT CONFERENCE ON WOMEN IN PRC, HELD AT WINGSPREAD AND SPONSORED BY NCUSCR, NATIONAL COALITION FOR RESEARCH ON WOMEN'S EDUCATION AND DEVELOPMENT, AND THE JOHNSON FOUNDATION. DR. HSIA, OF EVANSTON, ILL., DIRECTOR OF EDUCATIONAL TESTING SERVICE, REPORTED THAT IN CHINA CREWS OF TRAINS, PLANES AND HOSPITAL SURGERY TEAMS ARE LIKELY ALL WOMEN. THEY DO SAME WORK, AT SOME WAGES, AS MEN, AND BELONG TO UNIONS. JOHN W. LEWIS OF STANFORD SAID MAO'S SUCCESSOR MAY BE CHIANG CHING INDIVIDUALLY, OR AS DOMINANT FORCE OF A COLLECTIVE LEADERSHIP. HE SAID MAO IS STRONG ADVOCATE OF INCREASING SINO-US TRADE, AND CHIANG CHING WOULD ALSO SEE THAT THIS TRADE CONTINUES. CHICAGO U'S WM. PARISH SAID THAT IN SMALL TEXTILE, FURNITURE AND ELECTRONICS FACTORIES IN CHINESE COUNTRYSIDE 70 PERCENT OF WORKERS ARE

WOMEN, THOUGH NOT MANY ARE IN EXECUTIVE POSITIONS BECAUSE THEY LACKED EDUCATION AND TRAINING BEFORE 1949. DR. ROXANE WITKE OF HARVARD, WHO SPENT 65 HOURS IN INTERVIEWS WITH CHIANG CHING, REPORTED THAT WHILE SHE "REPRESENTS CULTURE IN CHINA IN AN IMPORTANT WAY, SHE IS NOT A LEADER OF WOMEN." CONFERENCE LEARNED THAT IN FIRST QUARTER 1974, US EXPORTED 343.5 MILLION DOLS, MOSTLY WHEAT BUT SOME MANUFACTURED GOODS, TO PRC; US IMPORTED 20.2 MILLION DOLS OF CHINESE GOODS IN THOSE THREE MONTHS.

9. REUTER (PEKING) CITES PEOPLE'S DAILY REPORT TUESDAY THATHUNANPROVINCE PRODUCED RECORD HARVEST THIS YEAR, DESPITE SERIOUS DROUGHT. NO FIGURES GIVEN, BUT PAPER SAID OUTPUT MORE THAN DOUBLE THAT OF 1965. SAME REPORT SAID CHEKIANG PROVINCE HAS REAPED

HARVEST OF SUMMER CROPS 40 PERCENT GREATER THAN LAST YEAR. IN RECENT WEEKS, THERE HAVE BEEN HINTS UNCLASSIFIED

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IN CHINA PRESS THAT WHEAT HARVEST IN COUNTRY OVERALL HAS BEEN DISAPPOINTING. JOC REPORTS AUSTRALIAN WHEAT COMMISSION HAS CONFIRMED THAT MISSION IS ENROUTE TO CHINA, BUT MERELY TO NEGOTIATE AND RECONFIRM DETAILS OF EXISTING CONTRACT.

FRENCH A-TEST

10. PMS WHITLAM AND KIRK PROTEST FRENCH EXPLOSION SECOND NUCLEAR DEVICE JULY 8 IN SOUTH PACIFIC (CSM, WP). IN PARIS, GOF REFUSES COMMENT (REUTER, NYT). WHITLAM REITERATES GOA'S OPPOSITION TO TESTS THAT IT CLAIMS PRODUCE RADIOACTIVE FALLOUT OVER ITS TERRITORY (AP, CHITRIB; UPI, S-N 7/8). KIRK TELLS NEWS CONFERENCE IN WELLINGTON THAT THERE IS SOME EVIDENCE OF FALLOUT FROM JUNE 17 TEST "BOTH HERE AND IN THE TERRITORIES AROUND US" (UPI, NYT). SENIOR US OFFICIAL WITH HAK ON WAY TO LONDON SAYS US AND USSR ARRANGED TEST BAN DOCUMENT TO AVOID EMBARRASSING CHINESE,WHO STILL CONDUCT ATMOSPHERIC TESTS (PHINQ).

SUN'S PATRICIA PULLEN IN PARIS REPORTS PACIFIC NATIONS ARE EXPECTED TO PROTEST LATEST FRENCH BLAST. QUOTES DIPLOMATIC SOURCE THAT NZ MAY SEND SENIOR MINISTER IN NEXT FEW DAYS TO TRY TO PERSUADE GISCARD TO ABANDON TEST PROGRAM. FUTURE FRENCH TESTS SUPPOSED TO BE UNDERGROUND BUT NZ OFFICIALS FEAR THAT LIMITED FRENCH TECHNOLOGY, FRAGILE ROCK STRUCTURE BENEATH VOLCANIC POLYNESIAN IS. THAT

COULD RESULT IN TIDAL WAVE, AND FRANCE'S DESIRE FOR THERMONUCLEAR WARHEADS WITHIN 18 MONTHS MAY MAKE MORE ATMOSPHERIC TESTS NECESSARY.

AUSTRALIA

11. ATLANTIC RICHFIELD SAYS EXPLORATORY WELL IN TIMOR SEA 480 MILES WEST OF DARWIN IS PRODUCING, BUT FIND CANNOT BE DECLARED COMMERCIALY VALUABLE WITHOUT FURTHER TESTING AND POSSIBLY MORE DRILLING. ARCO HAS 50 PER CENT INTEREST IN WELL THROUGH SUBSIDIARY ARCO AUSTRALIA (WSJ).
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THAILAND

12. BANGKOK'S CHINESE DISTRICT IS QUIET, COMMERCE ALMOST NORMAL AFTER RIOTS LEFT 24 DEAD (S-N 7/8). THAILAND REMAINS IN STATE OF EMERGENCY DECLARED DURING RIOTS

AND POLICE ARREST YOUNG CHINESE DESCRIBED AS RINGLEADER IN RIOTS THAT KILLED 25 (WP). AUTHORITIES PRESS HUNT FOR FOLLOWERS, SAY HE HAS RECORD OF FIVE PREVIOUS ARRESTS AND WAS RELEASED FROM JAIL SHORTLY BEFORE RIOTS (AP, CHITRIB). STATE OF EMERGENCY LIFTED, SANYA SAYS SITUATION BACK TO NORMAL. POLICE EXPECT NO FURTHER TROUBLE IN CHINATOWN, REAFFIRM THAT INVESTIGATIONS WILL BE "FAIR AND JUST", AND POLICE UNITS WILL "CONTINUE INSPECTING" AREA TO PREVENT DISORDER (REUTER BANGKOK 7/9).

JAPAN

13. TANAKA AND LDP SUFFER WHAT SUN'S SEIDEN DESCRIBES AS WORST SETBACK IN POSTWAR HISTORY, THOUGH TANAKA'S OWN FACTIONS IN PARTY STRENGTHENED, POND (CSM) NOTES. TOTALS SHOW LDP WINNING ONLY 62 SEATS FOR TOTAL OF 126 IN 252-MEMBER UPPER HOUSE. JSP NOW CONTROLS 62, UP 3; KOMEITO 24, UP 1; DSP 10, DOWN 1; AND MINOR PARTIES AND INDEPENDENTS 10, UP 4 (MACKENZIE, REUTER). HOWEVER, LDP CAN COUNT ON SUPPORT OF MOST INDEPENDENTS TO MAINTAIN MAJORITY (PEARLSTINE, WSJ). WHILE LDP DID BADLY IN URBAN AREAS, AS EXPECTED, ITS BIGGEST LOSS WAS 8 PROVINCIAL SEATS --EQUAL TO ITS TOTAL LOSSES (BUTTERFIELD, NYT).

ANALYSTS AGREE THAT POOR SHOWING DUE TO GOVT'S FAILURE TO CURB INFLATION AND APPARENT

RESENTMENT OF BLATANT BIG-BUSINESS FINANCING
OF LDP CANDIDATES (AP CHITRIB, NYDN). SHOWING
ALSO SEEN CAUSING INCREASING DISSATISFACTION
WITH TANAKA'S LEADERSHIP (UPI, PHINQ), AND POSSIBLE
CHALLENGE BY FUKUDA (AP). IN PAST, PEARLSTINE
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SAYS, KEY TO LDP CONTROL HAS BEEN FAILURE OF
OPPOSITION TO WORK TOGETHER. HOWEVER, MACKENZIE
REPORTS JSP AND KOMEITO PARTIES' CALL FOR UNITED
FRONT AGAINST LDP, HOPING TO FORCE GENERAL ELECTION
THIS YEAR. BUT BUTTERFIELD SUGGESTS RELUCTANCE
OF JAPANESE TO VOTE IN OPPOSITION PARTIES WHICH
HAVE NEVER HELD POWER. QUOTES SEIZABURO SATO,
PROFESSOR AT TOKYO UNIVERSITY, AS EXPLAINING
OPPOSITION FUNCTION MERELY AS "SAFETY VALVE,"
"NOT SUPPOSED TO ACTUALLY HOLD POWER."

14. TYPHOON GILDA NOW REPORTED TO HAVE KILLED AT
LEAST 83, LEFT 21 MISSING IN JAPAN. ANOTHER 130
REPORTED INJURED (CHITRIB).

15. BLAMING JAPANESE SALMON FISHING AS CAUSE
OF COLLAPSE OF FISHERY IN BRISTOL BAY--RECENTLY
DECLARED FEDERAL DISASTER AREA--ALASKA'S GOV. EGAN
CALLSFOR PERMANENT END TO FOREIGN FISHING IN HIGH
SEAS (BARNETT, JOC).

16. TOYOTA REPORTS 73 PER CENT DROP IN NET PROFIT
IN HALF ENDING MAY 31, WHILE SALES VALUE SLIGHTLY
HIGHER. PROFIT DECLINE SAID DUE TO INCREASE IN
RAW MATERIAL AND LABOR COSTS AND DROP IN DOMESTIC
SALES (AP NYT, CHITRIB; WSJ).

17. JAPANESE AIR FORCE F-86F JET FIGHTER ON TRAINING
MISSIONCRASHES IN KOMAKI, KILLING PILOT, TWO ON
GROUND (AP, PHINQ).

JAPAN-KOREA

18. CSM'S POND REPORTS POSSIBILITY OF TEMPORARY
JAPANESE RECALL OF ITS AMBASSADOR TO SK. MOVE
DENIED BY BOTH JAPANESE FM AND SK TOKYO EMBASSY
SPOKESMAN, ALTHOUGH BOTH SAY AMBASSADOR MAY RETURN
FOR "ROUTINE" CONSULTATIONS. NOTES TENSION OVER
SK TRIALS OF KIM DAE-JUNG AND OF TWO JAPANESE CHARGED
WITH AIDING DISSIDENT SK STUDENTS. JAPAN CONCERNED
WITH FAIR TRIAL FOR TWO JAPANESE AND WITH POSSIBLE
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SK EXERCISE OF POLICE POWERS AND INTIMIDATION OF KOREAN AND JAPANESE CITIZENS IN JAPAN, AS IN KIM DAE-JUNG CASE AND CASE OF KOREAN-JAPANESE ISUYOSHI ABE, WHO CLAIMS TO HAVE BEEN QUESTIONED IN TOKYO BY KCIA. THERE IS ALSO CONCERN OVER TRIAL OF 52 SK STUDENTS AND DEMONSTRATORS SAID TO BE LINKED TO JAPANESE AND NK COMMUNISTS THROUGH TWO JAPANESE ON TRIAL.

PHILIPPINES

19. US MISSIONARY'S WIFE RELEASED, THOUGH HUSBAND PAUL WILSON REMAINS UNDER DETENTION, DESPITE FAILURE OF GOP OFFICIALS TO ANNOUNCE CHARGE. WILSON LINKED BY MILITARY TO FORMER UNIVERSITY TEACHER SIMULAN, SAID BY AUTHORITIES TO BE MEMBER OF COMMUNIST PARTY (AP, NYT).

COMMENT AND ANALYSIS

CHINA

20. HARVARD'S C. G. JACOBSEN, WHO RECENTLY RETURNED FROM 5-WEEK CHINA TRIP (GLOBE JULY 7), SAYS CRUX OF DEBATE CONCERNS FUTURE PATTERN OF DEVELOPMENT. WITH FUNDAMENTAL NEEDS SATISFIED, FOCUS IS NOW ON NEXT STAGE - REAL INDUSTRIALIZATION, HOW TO EFFECT IT AND AT WHAT COST. CHOU'S POSITION IS INCIDENTAL, EXCEPT TO EXTENT THAT HE SYMBOLIZES ONE FACTION. ONE FACTION ADVOCATES LIMITED "OPENING TO THE WEST," TO SECURE ACCESS TO WESTERN INVESTMENT AND TECHNOLOGY; ITS MEMBERS BELIEVE THAT LIMITED FOREIGN INVOLVEMENT CAN BE CONTROLLED AND IS THEREFORE DESIRABLE AS A MEANS TO SPEED ECON GROWTH. THEIR ANTAGONISTS ARE OFTEN MISTAKENLY CALLED "LEFTISTS"; "FUNDAMENTALIST" IS BETTER TERM SINCE THEIR ASPIRATIONS ARE CLOSER TO 19TH CENTURY POPULIST MOVEMENTS SUCH AS THE TAIPING OR THE BOXERS, THAN TO MARX. THEY ARE PROPONENTS OF SELF-SUFFICIENCY AND INSIST THAT LOWER RATE OF GROWTH IS PREFERABLE, AND THAT TO CALL FOR PROGRESS UNCLASSIFIED

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THROUGH INVOLVEMENT WITH CAPITALISTS IS A SIREN CALL TO DISASTER.

NOTES THAT IN RESPONSE TO FOREIGN QUERIES ABOUT ANTI-LIN/ANTI-CONFUCIUS MOVEMENT, CHINESE SAY THAT LIN ADVOCATED A RETURN TO CAPITALISM, AND CONFUCIUS REPRESENTED FEUDAL ORDER. THEIR NAMES WERE SYMBOLIC; THE MOVEMENT WAS DIRECTED AGAINST THOSE ELEMENTS WHO STILL LONG FOR "OLD WAYS."

IN THE WEST, HOWEVER, ATTENTION FOCUSED ON THE PARALLELS BETWEEN CONFUCIUS AND CHOU, AS PRAGMATIC TECHNOCRATS AND REFORMERS. WESTERN OFFICIALS IN PEKING TENDED TO BELIEVE THAT CHOU REMAINED IN SECURE ADMIN CONTROL, AND THAT HE MIGHT EVEN BE DIRECTING THE MOVEMENT. WESTERN SPECIALISTS IN HONG KONG WITH SOURCES FROM SOUTHERN AND CENTRAL CHINA, HOWEVER, TENDED TO BE CONVINCED THAT ATTACKS ON CONFUCIUS REPRESENTED INDIRECT ATTACKS ON CHOU. JACOBSEN MAINTAINS BOTH INTERPRETATIONS CONTAINED ELEMENTS OF TRUTH BUT SEES MOVEMENT'S ORIGINAL PROTAGONISTS ("FUNDAMENTALISTS") STRIVING TO LAUNCH EVER-NEW VARIANTS TO THE CAMPAIGN, THEREBY KEEPING AT LEAST PART OF "CRITICIZE MOVEMENT" OUT OF CHOU'S CONTROL AND SECURING BASIS FROM WHICH ITS LATER REVITALIZATION BECAME POSSIBLE.

JACOBSEN REPORTS THAT WUHAN POSTER ON MAY 19 CRITICIZED CHOU BY NAME, ALTHOUGH UNCLEAR WHETHER THIS REFLECTED LOCAL ZEALOTS' WORK OR CENTRAL

DIRECTIVE. BUT THIS WAS FOLLOWED BY POSTERS IN CANTON AND PEKING CRITICIZING CHOU ASSOCIATES - IN LATTER CASE POLITBURO MEMBER HUA KUO-FENG.

JACOBSEN OBSERVES MAO "STRADDLING TWO HORSES" IN DISPUTE AS IN PAST, NOTING THAT POSTURE ACCORDS WITH MAO'S THEORY OF THE DIALECTIC, AND STRUGGLE THROUGH OPPOSITES. THINKS DISPUTE WILL NOT BE SETTLED UNTIL AND IF MAO DECIDES TO THROW HIS INFLUENCE EXPLICITLY AND OPENLY BEHIND ONE SIDE
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OR OTHER.

JACOBSEN CONTRASTS FERVOR OF PRO-SELF-SUFFICIENCY AND ANTI-FOREIGNER SENTIMENT OF RURAL-ORIENTED CENTRAL CHINA WITH PERFUNCTORY MANNER IN WHICH SELF-SUFFICIENCY IS ESPOUSED DURING VISIT TO TIENTSIN FACTORIES AND TIENTSIN POLYTECHNIC, WHERE DESIRE FOR INCREASED ACCESS TO FOREIGN TECHNOLOGY IS EVIDENT. STRESSES THAT CCP HAS A RURAL BASE, AND THAT ITS PRIMARY CLAIM TO LEGITIMACY RESTS

ON ITS RURAL CONCERNS. ALSO EMPHASIZES THAT WHATEVER THE OUTCOME OF CURRENT DEBATE, IT IS CONDUCTED WITHIN THE PARTY, IS CONTROLLED BY THE PARTY, AND IS NOT ANALOGOUS TO GPCR, WHEN MAO DIRECTED HIS RED GUARDS TO "STORM THE HEADQUARTERS" OF A PARTY WHICH HAD BEEN MANEUVERED OUT OF THE EFFECTIVE ORGANS OF POWER.

NYDN TAKES JAUNDICED VIEW OF SENATOR JACKSON'S LINE THAT PRC LEADERS ARE MEN WHO, UNLIKE THEIR KREMLIN COUNTERPARTS, CAN BE COUNTED ON TO ABIDE SCRUPULOUSLY BY ANY AGREEMENT THEY MAKE WITH US. SAYS PEKING MERELY HASN'T HAD MUCH CHANCE TO MATCH MOSCOW'S RECORD FOR TREATY-WELSHING AND DOUBLE-DEALING, AND WE SHOULD BE SLOW TO PUT TEMPTATION IN ITS PATH.

KOREA

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MANHATTANVILLE PROF KWAN HA YIM WRITES TO NYT EDITOR DENOUNCING JUNE 20 LETTER OF ROK AMBASSADOR TOUN WHICH, HE SAYS, TAKES TO TASK "SELF-APPOINTED, RITUALISTIC LIBERALS AND ACADEMICIANS" FOR UNSPECIFIED SINS AGAINST KOREAN NATIONALISM. KWAN GATHERS THAT AMBASSADOR'S IRE HAD BEEN AROUSED BY NYT'S COVERAGE AND CRITICAL COMMENTS BY SCHOLARS ABOUT SITUATION IN KOREA. SAYS THOSE WHO HAVE BEEN FOLLOWING SK PROPAGANDA LINES MAY HAVE RECOGNIZED FAMILIAR THEMES USED TO JUSTIFY TOTALITARIAN SOCIETY AND AS ARGUMENTS TO SILENCE FOREIGN PRESS. SAYS UNDER NIXON DOCTRINE, USG HAS RULED UNCLASSIFIED

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INTERNAL AFFAIRS OF OTHER COUNTRIES AS BEING BEYOND ITS CONCERNS. BUT NEITHER PRESS NOR US CITIZENS NEED FOLLOW THE SAME PRACTICE, SINCE NATIONAL SOVEREIGNTY IS BAR TO THE EXTENSION OF FOREIGN POLITICAL POWER - NOT TO THE FLOW OF HUMAN SYMPATHIES. NO AMERICAN SHOULD FEEL HESITANT IN SPEAKING OUT AGAINST LEGALIZED CRIMES PERPETRATED ON INNOCENT PEOPLE BEHIND SHIELD OF AMERICAN PROTECTION.

JAPAN

23. NYT SEES IN ELECTION RESULTS VOTER REBUFF TO TANAKA FOR FAILURE TO CURB INFLATION. VOTERS ALSO PROVOKED BY LAVISH FINANCIAL SUPPORT PROVIDED FOR LDP CANDIDATES BY BIG CORPORATIONS. CONCERN ABOUT ENVIRONMENTAL PROBLEMS, EXACERBATED BY RAPID INDUSTRIAL DEVELOPMENT, AND GOJ'S POTENTIAL THREAT

TO FREEDOM OF PRESS AND ASSEMBLY MAY ALSO HAVE CONTRIBUTED TO TANAKA LOSSES. ELECTION RESULTS WILL JEOPARDIZE TANAKA'S PLANS TO RUN NEXT SPRING FOR NEW 3-YEAR TERM AS PARTY PRES, AND THUS AS PM. CONCLUDES THAT THE JAPANESE HAVE DEMONSTRATED THE HEALTH OF THEIR 27-YEAR-OLD DEMOCRATIC SYSTEM WITH 73 PERCENT TURNOUT, A RECORD FOR UPPER HOUSE ELECTIONS.

24. S-N (JULY 8) CONSIDERS AS ACCEPTABLE COMPROMISE BETWEEN US PLEA FOR TEN-YEAR MORATORIUM ON ALL WHALING AND JAPANESE AND RUSSIAN RESISTANCE TO FURTHER CURBS, IWC'S VOTE TO PLACE MORATORIUM ON KILLING OF ONLY MOST ENDANGERED SPECIES WHILE KEEPING QUOTAS ON HUNTING OF VARIETIES THAT ARE NOT SO CRITICALLY SCARCE. FIVE OF MOST DEPLETED SPECIES ALREADY WERE PROTECTED BY IWC BAN ON KILLING, AND JAPAN, CONTRARY TO IMPRESSIONS CIRCULATED, HAS OBSERVED THESE PROHIBITIONS AND HAS ABIDED BY HARVESTING QUOTAS SET ON FOUR OTHER KINDS.

;OTING THAT JAPAN DEPENDS HEAVILY ON WHALE
- NOTING THAT JAPAN DEPENDS HEAVILY ON WHALE MEAT AS LOW-PRICED PROTEIN FOOD, S-N COMMENTS
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THAT BOYCOTT EFFORT BY AMERICAN CONSERVATION GROUPS IS AN UNWARRANTED EXTREME. IF PRIVATE GROUPS SERIOUSLY ATTEMPT TO DAMAGE JAPANESE ECONOMY, ANGER GENERATED OVER THERE COULD VERY WELL MAKE THE PLOY COUNTER-PRODUCTIVE; WHALES MIGHT SUFFER EVEN MORE, ALONG WITH US-JAPAN RELATIONS.

SW PACIFIC

25. WP'S OBERDORFER (LAT JULY 7) IN TOKYO REPORTS THAT US IS ON VERGE OF ACQUIRING THE FIRST PERMANENT ADDITION TO ITS TERRITORY SINCE PURCHASE OF VIRGIN ISLANDS: THE PROPOSED "COMMONWEALTH OF THE NORTHERN MARIANAS." NEGOTIATIONS HAVE RESOLVED NEARLY ALL FUNDAMENTAL QUESTIONS BETWEEN REPS OF ISLANDERS AND US DELEGATION HEADED BY HAYDEN WILLIAMS. IN INTERVIEW, WILLIAMS SAID HE HOPED FOR AGREEMENT ON FINAL TERMS THIS FALL AND SUBMISSION TO CONGRESS POSSIBLY EARLY NEXT YEAR.

WILLIAMS SAID JCS AND DOD HAVE OFFICIALLY DETERMINED A NATIONAL "REQUIREMENT" FOR TINIAN BASE, "INCLUDING AIR OPERATIONS AND FORWARD DEPLOYMENT OF WAR MATERIAL AND WAR RESERVE." ACCORDING WILLIAMS,

PRES. APPROVED MILITARY PLAN IN 1971 AND REAFFIRMED IT IN 1972 FOLLOWING NSC REVIEW. CONGRESS HAS NOT YET AUTHORIZED EITHER TINIAN BASE OR COMMONWEALTH STATUS FOR NORTHERN MARIANAS. US HAS "TENTATIVELY AGREED" TO PAY 13.5 MILLION DOLLARS YEARLY FOR SEVEN YEARS PLUS 3 MILLION YEARLY IN FEDERAL SERVICES TO SUPPORT DOMAIN WHICH HAS ABOUT 14,000 POPULATION.

WILLIAMS SAID HE HAD CONSULTED INFORMALLY ON PLAN WITH KEY LEGISLATORS WHO "LED ME TO BELIEVE CONGRESS IS FAVORABLY DISPOSED AND ENCOURAGED ME IN OUR EFFORTS."

TINIAN BASE AND US INSTALLATIONS ON GUAM ARE WIDELY EXPECTED TO BE US "FALLBACK POSITION" IN W. PACIFIC WHEN AND IF US FORCES LEAVE KOREA, JAPAN, PHILS, TAIWAN AND OTHER PRESENT BASE AREAS.
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MOST RESIDENTS OF PROPOSED COMMONWEALTH ARE BELIEVED IN FAVOR OF PERMANENT AFFILIATION WITH US, BUT NO TEST VOTE HAVE BEEN TAKEN RECENTLY AND PROPOSED REFERENDUM ON TINIAN ALONE WAS VETOED BY US AUTHORITIES EARLY THIS YEAR ON GROUNDS THIS IS DECISION FOR THE ENTIRE NORTHERN MARIANAS (ALSO WP).

AUSTRALIA

26. LAT'S LAMB (JULY 7) FEATURES MT. ISA, AUSTRALIA'S MOST PROSPEROUS (AVERAGE WEEKLY WAGE NEARLY 200 DOLLARS US), MOST REMOTE (1,200 ROAD MILES TO BRISBANE), BEST INTEGRATED (47 NATIONALITIES), SMOOTHEST RUNNING (NO MAJOR INDUSTRIAL DISPUTES IN A DECADE) AND HEAVIEST DRINKING (INDESCRIBABLE) CITY.

LIFELINE OR ALL WHO LIVE THERE IS THE MINE - ONE OF THE RICHEST IN THE WORLD AND ONE OF THE FEW WHERE COPPER, SILVER, LEAD AND ZINC ARE FOUND IN CLOSE PROXIMITY. LAST YEAR IT PRODUCED 428,000 TONS OF ORE ON 24-HOUR-A-DAY OPERATION; PROFITS FOR MOST RECENT 6-MONTH REPORTING PERIOD TOALED 51 MILLION. BY AUSSIESTANDARDS, RELATIONSHIP BETWEEN MT. ISA MINES (MIM) AND WORK FORCE IS UNIQUE, AND IT WELL MAY BE THE ONLY MAJOR INDUSTRY IN AUSTRALIA WHERE MUTUAL TRUST HAS BEEN CULTIVATED BETWEEN THE TWO GROUPS AND NEITHER HAS A DEROGATORY WORD TO SAY ABOUT THE OTHER.

REACTING TO PRESSURE AGAINST MULTINATIONAL COMPANIES
BY ALP GOVT., AMERICAN SMELTING AND REFINING CO.
LAST YEAR REDUCED ITS INTEREST IN MIM TO 49 PERCENT
BY OFFERING SHARES TO EMPLOYEES. COMPANY IS NOW
AUSTRALIAN-OWNED AND WORKERS GET PRODUCTION BONUS
AMOUNTING TO ABOUT 9 DOLLARS A DAY, UNDER BEST
CONTRACT IN AUSTRALIA.

INDUSTRIAL RAPPORT GREW FROM A VIOLENT 4-MONTH STRIKE
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IN 1964. TWO-YEAR CONTRACTS WITH UNIONS ARE NOW
NEGOTIATED THROUGH COLLECTIVE BARGAINING RATHER THAN
THROUGH AN ARBITRATION AND CONCILIATION SYSTEM AS IN
REST OF AUSTRALIA. CITES SIR ASHER JOEL, PUBLISHER
OF DAILY STAR, THAT "MIM IS ONE OF THE FEW EXAMPLES
OF AMERICAN-AUSTRALIAN BUSINESS RELATIONS WHERE
AMERICAN INFLUENCE NEVER INTRUDED AND CAUSED AN
AUSTRALIAN BACKLASH. AND IT'S ONE OF THE FEW
EXAMPLES WHERE THE COMPANY AND THE UNIONS HAVE LEARNED
THAT THEY NEED EACH OTHER TO SURVIVE."

THAILAND

P7 CHITRIB'S KIRK IN BANGKOK CITES MILITARY EXPERT
2 PPARENTLY AMERICAN) CHARACTERIZING FIGHTING
BETWEEN INSURGENTS AND RTA AS "COMPANY-SIZED WAR."
ACCORDING MIL SOURCES, THE NUMBER OF REBEL FIGHTERS
IS INCREASING BY 15 TO 20 PERCENT A YEAR, BUT
NUMBER NO MORE THAN 8,000 IN THREE WIDELY SEPARATED
REGIONS AND POSE NO DIRECT THREAT TO ANY GOVT.
CENTERS OR MAJOR POPULATION AREAS. SEVEN RTA

COMPANIES NOW ATTEMPTING TO DISLODGE 1,500 TO
2,000 CTS FROM PHU PAN MOUNTAINS IN NE.

PATTERN OF PERIODIC TERRORISM AND GOVT. COUNTER-
INSURGENCY EFFORTS IS SO FAMILIAR THAT FEW THAI
OFFICIALS OR AMERICAN ADVISERS FORESEE POSSIBILITY
OF ANOTHER VN WAR ERUPTING IN THAILAND. BUT THERE
IS CONSTANT SENSE OF FRUSTRATION OVER THAI INABILITY
TO SUPPRESS THE INSURRECTION UNDER JUNGLE CONDITIONS.

ADVISER NOTED THAT THAI FORCES ARE DIVIDED BETWEEN
TWO REGIONS, SEPARATED BY MOUNTAIN RANGE. THERE
IS ONE ARMED REBEL FOR EVERY 1,000 INHABITANTS OF
NE - AND ONLY 10 OF 150 NE DISTRICTS ARE SERIOUSLY
AFFECTED. THAI TROOPS ARE DIRECTING THEIR MAIN
OPERATIONS IN THOSE 10 DISTRICTS.

INSURGENCY IN NORTHERN PROVINCES APPEARS EVEN MORE
REMOTE, FROM VIEWPOINT OF RTG OFFICIALS, BECAUSE
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MOST REBELS ARE ETHNIC MEO RATHER THAN THAI.
COUNTER-INSURGENCY EXPERT SAYS MEOS OPERATE ALONG
LAOTIAN-BURMESE BORDER, BUT HAVE NEVER POSED A
THREAT TO LOWLANDS; AND ALMOST ALL TERRORIST ACTIVITIES
IN NORTH FOCUS ON BLOCKING ROAD CONSTRUCTION. US
SOURCE SAYS THE WAR FOR THAILAND WON'T GET SERIOUS
FOR A LONG TIME.

28. CSM NOTES SANYA REACTED WITH UNWONTED TOUGHNESS
CHINATOWN RIOTING, WHICH HAD ETHNIC, NOT POLITICAL,
BASIS. OBSERVES WIDE BACKING FOR HIS NEW TOUGHNESS,
EVEN FROM MOST STUDENT GROUPS. STUDENTS CALLED OFF
PLANNED JULY 4 MARCH ON US EMBASSY TO PROTEST CONTINUED
US MIL PRESENCE IN THAILAND. SOME SOURCES SAY
STUDENTS WILL NOW GO SLOW ON DEMONSTRATING UNTIL
FIRST ANNIVERSARY OF OCT. COUP, IN WHICH CASE,
SANYA WOULD HAVE A WELCOME BREATHING SPACE.

SINGAPORE

29. CARL MYDANS (FORTUNE, JULY), PRAISING GOS,
BESTOWES MAG'S HIGHEST CORPORATE ACCOLADE ON
ASIA'S TINIEST CITY-STATE, ENVELOPING PRIME
MINISTER LEE KUAN YEW IN BOARDROOM CIGAR SMOKE
WHILE AWARDING HIM HIS MULTINATIONAL SHEEPSKIN
READING: LEE KWAN YEW "RULES AS THOUGH HE WERE
THE AUTOCRATIC CHIEF EXECUTIVE OF SINGAPORE INC."
IN NINE YEARS, THIS FORMER BRITISH COLONY THE
SIZE OF TRENTON, N.J., WITH FEWER PEOPLE THAN
ST. LOUIS, MO., NOW HAS A PER CAPITA INCOME IN
ASIA SECOND ONLY TO JAPAN. HOW SO? ECONOMIC
PERFORMANCE IS THE YARDSTICK FOR EVERY GOVERNMENT-
INSPIRED MOVE BY LEE AND HIS SENIOR BUREAUCRATS,
EACH WEARING AN INVISIBLE LAPEL BUTTON READING,
"WILL IT MAKE MONEY?" LOOMING INCREASINGLY LARGER
IN THE WORLD ECONOMY, SINGAPORE IS BUSY TURNING
OUT SHIPS, PRECISION MACHINERY, ELECTRONIC
COMPONENTS, AND IS FAST BECOMING AN INTERNATIONAL
HAVEN FOR MONEY AND BANKERS -- WITH LEE'S "DIS-
CIPLINED" CHEAP LABOR FORCE PROVIDING ITS
COMPETITIVE PIZZAZZ. 425 U.S. COMPANIES HAVE
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CLIMBED ABOARD LEE'S FIVE-YEAR-TAX-EXEMPT ISLAND.

30. JACK ANDERSON (WP) SAYS HAK RECENTLY TOOK
TIME OUT FROM ME CRISIS "TO JAWBONE HIS FELLOW
CABINET MEMBERS ON VN. BUT IT WASN'T MORE
AID TO SAIGON BUT 3,500 VN ORPHANS THAT CONCERNED
HIM KISSINGER, HIMSELF A REFUGEE FROM NAZI
GERMANY AS A YOUNGSTER, URGED HIS COLLEAGUES IN
A PRIVATE NOTE TO HELP HIM 'STREAMLINE THE IMMIGRATION
AND ADOPTION PROCEDURES' TO UNITE MANY OF THE ELIGIBLE
CHILDREN WITH AMERICAN FAMILIES." KISSINGER

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